

IN THE HIGH COURT OF JUDICATURE AT BOMBAY

APPELLATE SIDE

CIVIL REVISION APPLICATION NO.160 OF 2005

Maharashtra State Road Development

Corporation Ltd. ...Applicant.

Vs.

M/s.Madhav Structural Eng.Co.Ltd. ...Respondent.

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Mr.P.P. Chavan with Mr. Y.M.Bhate for the
Applicant.

Mr.Sachin S. Pande for the Respondent.

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CORAM : DR.D.Y.CHANDRACHUD, J.

December 19, 2005.

P.C. :

The award of the Arbitral Tribunal constituted under the Arbitration and Conciliation Act, 1996 was delivered on 8th November 2004. By paragraph 31.3 of the Arbitral Award, the applicant has been directed to pay future interest at the rate of 14% per annum on the amount awarded, with effect from 8th January 2005 if the amount awarded is not paid by that date. The applicant has accepted the award by its communication dated 7th January 2005 to the Respondent. The Respondent

eventually received a copy of the award of the Arbitral Tribunal only on 24th March 2005 since the fees of the Arbitrator were not paid in their entirety. The Respondent has challenged the award in so far as the rejection of claim No.1 is concerned. The Arbitration Petition is pending. The Respondent by a letter dated 9th August 2005 requested the applicant to release the amount admittedly due and payable under the award (due to the acceptance of the award by the applicant) and on 9th September 2005, the applicant called upon the Respondent to come and collect the awarded amount as and by way of a full and final settlement. Execution proceedings have been initiated in the District Court, Pune on the amount awarded not being paid.

On behalf of the applicant, it has been submitted that the applicant had called upon the Respondent, when it accepted the award, to come forth to receive the payment. Hence, it was urged that the Applicant is not liable to pay interest. However, this submission overlooks the position that since the applicant accepted the Arbitral award it was for the applicant to comply with the terms of the Award by remitting the requisite payment inclusive of interest to the Respondent.

This was not done. However, Counsel appearing on behalf of the Respondent is agreeable, on instructions, to a direction that the liability of the applicant to pay interest shall commence on and from 24th March 2005 which was the date on which the Respondent received a copy of the award. The Respondent has no objection thereto. On behalf of the applicant it has been stated that the applicant shall within a period of two weeks forward to the Respondent the payment due and payable under the award which has been accepted by the applicant together with interest as awarded by the Arbitrator. The liability to pay interest, shall by consent commence from 25th March 2005. The statement as aforesaid is accepted. Counsel appearing on behalf of the parties are agreed that the outstanding share of the Respondent in respect of the arbitral fees still due and outstanding shall be deducted by the applicant and paid over directly to the Learned Arbitrator on behalf of the Respondent.

The Petition is accordingly disposed of in view of the statements which have been made in the aforesaid terms on behalf of the parties. The Darkhast proceedings shall stand disposed of immediately upon the payment being effected by the

applicant to the Respondent.

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